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OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Honorable Wendell Ford
United States Senate
173-A Russell Senate Office Bldg.
Washington, DC 20510-1701

93-253

Dear Senator Ford:

This is in response to your letter of September 16, 1993, addressing the 2 GHz Personal Communications Services (PCS) proceeding, GEN Docket No. 90-314. You express concern that telephone companies such as Cincinnati Bell Telephone that do not have a controlling interest in cellular radio licenses may be restricted from full PCS participation.

On September 23, 1993, the Commission adopted final rules in GEN Docket No. 90-314. Our decision allocates 120 megahertz of spectrum for licensed PCS, and permits telephone companies without cellular interests to access up to 40 megahertz of this spectrum (the maximum authorized to any one licensee). Telephone companies with cellular interests will be restricted to 10 megahertz in a PCS service area in which they own 20 or more percent of the stock in a cellular company, if the cellular company serves 10 or more percent of the population of the PCS service area. It is my understanding that Cincinnati Bell owns more than 20 percent of the stock in a local cellular licensee. Thus, Cincinnati Bell would be eligible to obtain 10 megahertz of additional spectrum at 2 GHz to provide PCS service. Inasmuch as we permit cellular licensees to provide services in addition to mobile voice, the cellular licensee in which Cincinnati Bell owns the minority interest also will be permitted to use its cellular spectrum at 800 MHz to provide service equivalent to PCS.

The limitations on the ability of telephone companies with significant interests in cellular licensees to provide PCS in their service areas are designed to foster competition among PCS providers and between PCS providers and cellular operators and to promote diversity in the provision of PCS. For your information, I am attaching the press releases of GEN Docket No. 90-314 and PP Docket No. 93-253 that address these issues.

Sincerely,

James H. Quello

James H. Quello
Chairman

Enclosures

United States Senate

WASHINGTON, DC 20510-1701

COMMITTEES:
COMMERCE, SCIENCE
AND TRANSPORTATION
ENERGY AND
NATURAL RESOURCES
RULES AND
ADMINISTRATION

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September 16, 1993

Dear Mr. Chairman:

I understand that the Commission plans to consider rules for Personal Communications Services (PCS) later this month. While I applaud the Commission moving ahead to establish this important new service, I hope that your rules will not prohibit our restricting the ability of telephone companies such as Cincinnati Bell Telephone to participate in this exciting new technology.

In addition to providing telephone service in the Greater Cincinnati area, Cincinnati Bell Telephone also holds a minority non-controlling interest in a local cellular license. This interest is a purely passive one and carries with it no ability to control the business. Control rests solely with the general partner. In effect, their participation in the existing cellular franchise is simply an investment. Moreover, it is my understanding that Cincinnati Bell Telephone agreed to take a minority position in order to avoid lengthy hearings and to further the FCC's interest in getting cellular service up and running.

PCS can be very important to local telephone companies as a means of meeting their universal service obligations, especially in high cost areas. Furthermore, telephone companies should have the same access to this new technology as their competitors, such as local cable television companies.

I hope that any rules the FCC chooses to adopt would not bar companies such as Cincinnati Bell Telephone, which does not control cellular licenses, from full access to PCS.

Thank you for your careful consideration of this matter.

Sincerely,

Wendell Ford

Mr. James Quello
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554